

EMERGENCE OF A NEW URBAN DEVELOPMENT MODEL? TRANSITION AND GLOBALISATION IN THE HUNGARIAN NEW TOWNS AND THEIR REGIONS

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1. INTRODUCTION: THE PROBLEMATIC OF NEW TOWNS

Owing to the processes of the European integration, the effects of the globalisation, and the transition to market economy, it is high time to carry out scientific research on the so-called post-socialist new towns again. More explicitly, within the confines of this analysis, it is also time to provide answers the following questions; what is currently happening in (East-Central European, including Hungarian) socialist industrial towns, how the new towns established during the socialist era transformed, how much of their historical characteristics are still preserved, and finally, as a result of these new processes, shall we talk about the emergence of a new type of urban development model?

As it is broadly acknowledged in the related literature, after the Second World War, based on governmental decisions and primarily funded by the state, centrally planned so-called 'new towns' have been established relying on modernist town planning ideologies. However, these new towns were not only widespread in East-Central European countries but have also been established in several Western Europe states, although with remarkably different purposes and characteristics (Szirmai, 1996, 1988). The socialist type of new towns appeared in the Eastern and Central European urban network from the 1950s onwards, in close connection with extensive industrial development and strong ideological aims.

New towns definitely broke with the architectural tradition of the previous historical periods, and were organised along the main ordering principles of modernist town planning, i.e. the spatial functions of dwelling, working, relaxing, and transportation (Le Corbusier, 1923). In case of Hungary, 11 settlements might be considered as new towns: Komló, Dunaújváros, Ózd, Kazincbarcika, Tatabánya, Tiszaújváros, Százhalombatta, Ajka, Várpalota, Oroszlány and Paks (see Figure 1).

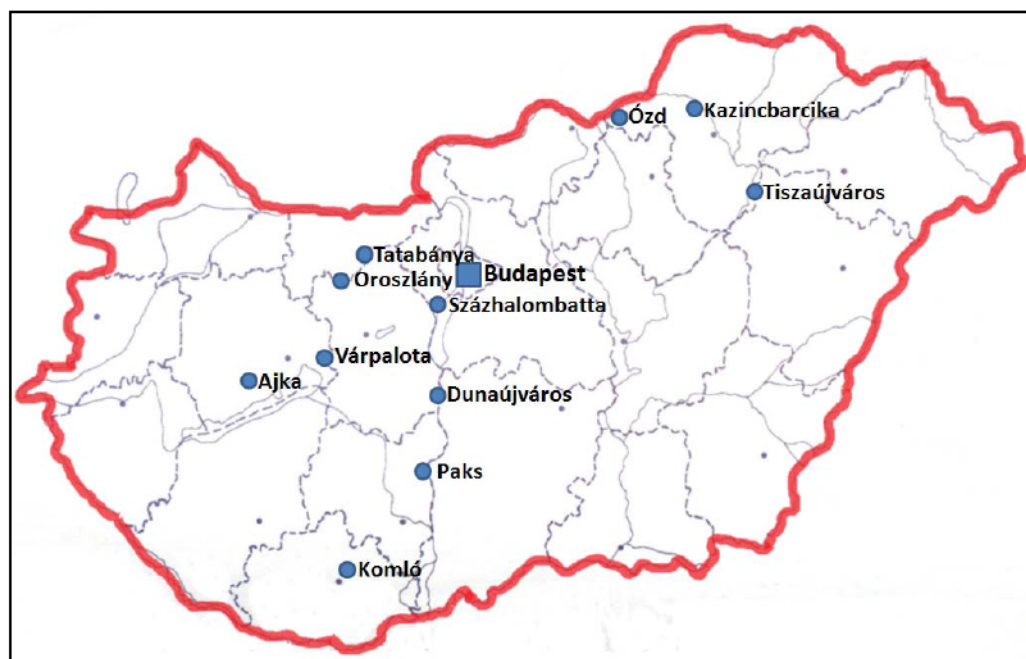


Figure 1: Geographical location of the eleven Hungarian new towns

As a common feature of these settlements, they have all been constructed under scarce financial resources, with outdated technologies and the dominance of socialist realist architecture, partly due to their contribution to the rapid industrial development, and partly as the propaganda of the ideal socialist way of life, as well as in order to improve local communities. By the end of the 1970s, however, typical new town problems were already clear; the fail of the design, the lack of the expected community life, and the wage pressures and social inequalities between workers' groups (Szirmai, 1988). The studies of the late-1980s and early-1990s highlighted that in these towns, similarly to the 'traditional' ones, the segregation of different social groups could also be observed: while people with higher social status resided in neighbourhoods with better ecological positions and conditions, the ones characterised by lower social status lived in less favourable urban areas (Szirmai, 1991). All these findings fundamentally questioned the specificity of the new town phenomenon and its socialist essence.

In the beginning of the 1990s, I found that the social transition of new towns might be more difficult; compared to other settlements, the characteristics of the redistributive urban development model typical of state socialism could prevail much longer and more strongly. The main reason for the latter was the concurring interests of the state, certain large companies and their employees, as the energetic, chemical or steel industries were of strategic importance for the state; therefore, they did not want to privatise these enterprises. This also coincided with the interests of the large companies' leaders, who vigorously

insisted upon state presence because of the fear of losing their positions and because of state, according to their previous experiences, ensured their safety. This safety could not have been guaranteed in case of a privatisation process; furthermore, in this regard, it was a shared interest with employees worrying about their jobs as well.

Indebted, large state-run companies appeared to be unable to perform an economic structural change required for the market transition, especially after the collapse of the markets of the former Eastern Bloc (the Council for Mutual Economic Assistance; in short, the COMECON). Even though the economic structure of new towns has been changed during the 1990s, and the inefficient production capacities primarily connected to mining, the energetic sector and certain branches of heavy industry degraded quite rapidly, however, the new structure was only slowly established.

The autonomy of local governments also appeared to be uncertain, partly due to the lack of resources required for an independent regional policy, and partly because of the expected social tensions. Another specific problem was caused by the slow pace of civic development, the lack of historical traditions of the civil society, and the dominance of the local, yet top-down social organisations. Due to the preceding economic structure (predominantly based on heavy industry), environmental problems also appeared in the new town regions, leading to several environmental-social conflicts even during the 1980s. Moreover, as a consequence of the cumulative accumulation of economic, social and environmental difficulties, further social tensions could be prognosticated.

As a result of the international studies carried out during the 1990s (Haumont et al., 1999), it was revealed that the transformation of new towns was highly differentiated: Western Hungarian new towns and their regions handled their crises more successfully and their transition to market-driven social conditions was also easier and more successful, while the transformation of the economic structure of the industrial towns situated in Eastern Hungarian regions was more difficult and laborious. The main reasons behind the regional disparities of new town regions might be traced back to the general processes of the Hungarian transition: the historical and developmental advantages of western regions (along with the inherent disadvantages of eastern regions), and the fact that foreign direct investments were mainly attracted by western (primarily metropolitan) regions, due to their developed infrastructure and the local, highly qualified labour force. (Map 2 clearly demonstrates these differences, presenting the advantages of the western regions and the disadvantages of the eastern areas, on the example of the change of the rate of local taxable income per capita.)

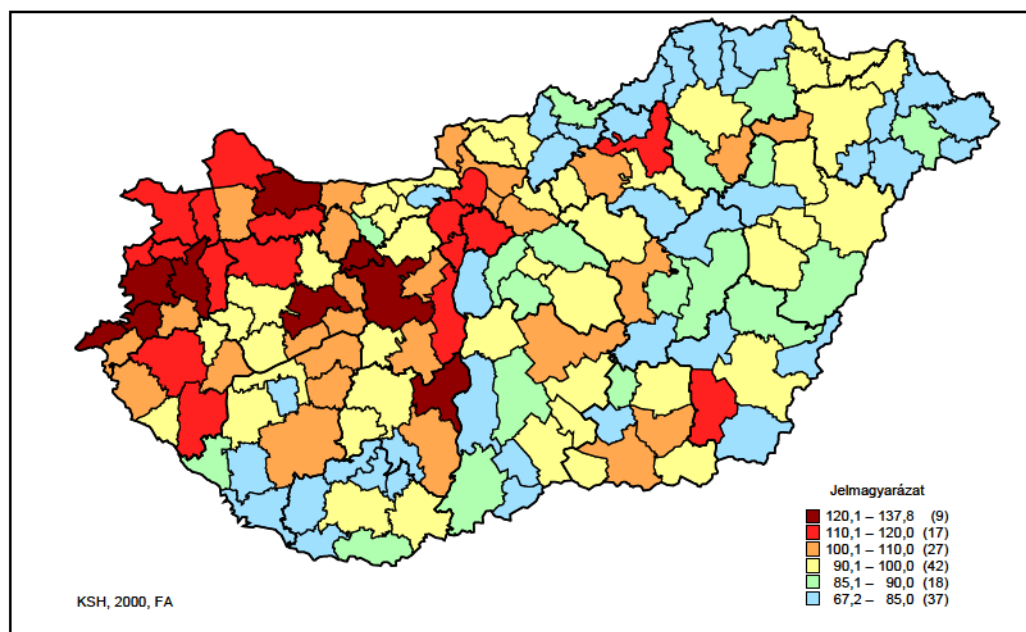


Figure 2: The change of taxable income per capita between 1988 and 1998
(100% = countryside average) Source: HCSO (Hungarian Central Statistical Office)

The success of the transition was also tightly connected to the presence of the state: in case of towns where this presence did not immediately cease to exist (for instance in Dunaújváros), the entire transition was more beneficial, while in towns from which the state completely withdrew (such as in Ózd), there was a sudden collapse.

Furthermore, social conflicts also unfolded in a different way, especially in light of previous forecasts. During the transformations of the 1990s, the processes of organising political parties proved to be stronger than the organisation of activist movements; the leading civil activists of the social movements of the 1980s were integrated into various parties (both locally but also on a national level), eventually contributing to a decrease in the dynamism of these movements (Szirmai, 1996). In addition, the elite of the movements also believed that the newly established, market-based society might be able to safeguard the civilian interests, including the environmental ones. The specific historical relations between the state and new towns played a particular role in their latent social conflicts and hazards. Under state socialism, as well as during the process of the politico-economic transition, state always strived to avoid social problems and prevent unemployment (for instance with providing state aid, or beneficial credit facilities to companies), even if doing so, they admittedly protected economic organisations that would not have been efficient enough under market conditions.

Since the studies carried out in the 1970s, 1980s and the early-1990s, the number of complex scholarly works dealing with new towns appears to be insufficient¹. Hence, we have no substantial information about the particular effects of the processes emerging after the turn of the millennia either, including the global financial and economic crisis – also affecting the steel industry, and seriously hitting Hungary as well – on the former socialist new towns and their local societies. These problems of the world economy presumably created a new situation, these towns were also badly affected by the increased rate of unemployment (quite rapidly growing on a country level at the same time)²; although they were admittedly successful in enforcing their interests during the era of state socialism³, after the politico-economic transition, however, even the state-protected, formerly prosperous industrial towns started to occupy highly disadvantaged positions. To make matters worse, even the companies otherwise adeptly managing the first period of the crisis are constantly losing their orders and markets, and thus, their revenues also significantly reduced. Along with that, a number of companies operating in new towns started to initiate mass-scale layoffs as well. Again, all these signs raise the issue of sharpening social and economic problems hitherto ‘swept under the rug’, potentially leading to the eruption of fierce social conflicts.

In the absence of new analyses, we do not know what is currently happening in these towns. How do they strive to resolve their economic and social difficulties? Do the new and massive trends of reindustrialisation and delocalisation help them in their struggles, along with the presence of industrial activities relocated from the developed countries to Hungary, likely to provide new dynamism for the economies of new towns (Barta et al., 2008)? In which direction(s) will they move? Are they searching for new development concepts that are now already European but are also based on historical traditions and which are, contrary to the ideological socialist ones, rather building upon reality and the existing social needs? Do these concepts enhance the opportunities for cooperation based on a broad social reconciliation, as well as on local and regional collaboration? Are they seeking concepts that might actually outline a new kind of urban development model capable of simultaneously tackling the abovementioned, complex economic and social problems?

¹ Among the most notable exceptions, a comprehensive volume on Kazincbarcika has to be mentioned (edited by Tamás Sikos T., published in 1995), as well as the book of Pál Germuska, entitled ‘Indusztria bűvöletében’ (‘Under the Spell of Industria’, published in 2004).

² In 2008, the unemployment rate of the European Union was 6.7%, while being 7.1% in the euro zone. In the same year, Hungary had one of the highest rates among all EU member states with its 7.6% (www.bruxinfo.hu). For example in Dunaújváros, the unemployment rate was 6% in 2008. After that, in 2011, Hungary had a rate of 9.2%, while Dunaújváros’ rate was 7.7%.

³ When the state’s infrastructural and housing development funds were (re-)distributed, new industrial towns always enjoyed special positions.

We attempted to answer these questions within the confines of a comprehensive empirical research carried out between 2010 and 2012, funded by OTKA (the Hungarian Scientific Research Fund)⁴. However, the main research questions were the following; how much of the new towns' historical characteristics have been still preserved and, as a result of contemporary processes, can we identify the emergence of a new urban development model?

In our empirical research, two new towns, Dunatúrváros and Kazincbarcika (and their regions) were studied, and the results have been compared with those of Baja and Gyöngyös (and their surrounding areas), two 'traditional' towns of similar size and industrial role. Besides socio-statistical and document analysis, the research was primarily based on the method of in-depth interviews, of which eventually 150 has been conducted⁵.

During the study, we attempted to focus on three main issues. 1. First and foremost, on the change of socio-spatial processes in the selected new towns and, within this specific topic, particularly on the analysis of the effects of global urbanisation, the characteristics of suburbanisation, and the processes of gentrification⁶. 2. Another aim was to reveal the social inequalities between new urban centres and their neighbourhoods, as well as the relations between new towns and the surrounding settlements' local governments. 3. Finally, we also aimed to shed light on the role of the new town regions' local elite groups, economic actors, municipalities, political actors, non-governmental organisations and other intellectuals on the urban development of the selected new towns⁷.

⁴ Reference number: OTKA K-81547

⁵ Research participants: Nóra Baranyai, Adrienne Csizmady, Levente Halász, Ildikó Laki, Zsuzsanna Váradi, Annamária Uzzoli. Research leader: Viktória Szirmai

⁶ The main characteristics of the new town regions' social structure will be analysed in a future research project to be carried out between 2013 and 2015, placed within a broader Hungarian and East-Central European context, also supported by OTKA.

⁷ The results of the research will be published in Hungarian in spring 2013, in a volume entitled 'Artificial Cities at the Beginning of the 21st Century' (edited by Viktória Szirmai).

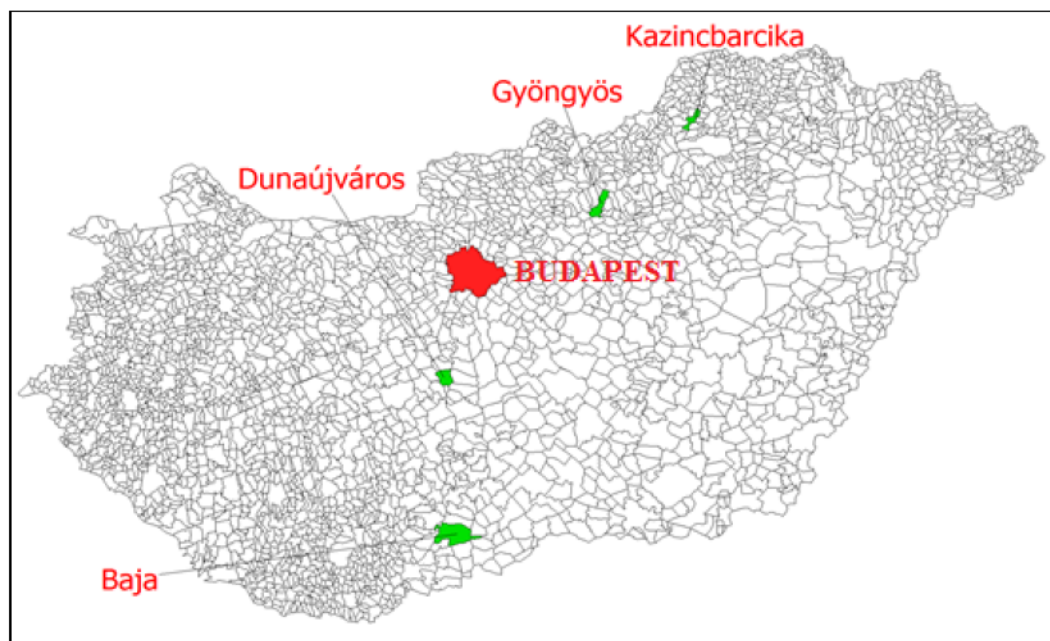


Figure 3: Geographical location of the four Hungarian towns examined in the study

2. THE DEVELOPMENT OF SPATIAL SOCIAL PROCESSES

The spatial social processes partly developed according to the expected global specificities. In the studied (new and old) towns the number of city dwellers has everywhere decreased (partly due to the migration caused by the economic crisis, unemployment, partly due to the changing residential requirements of the inhabitants), whereas the population of suburban areas has increased as a result of suburbanization processes, the outmigration intentions of the middle class population. But it is also due to the requirements of the economy, suburban areas have also become attractive for enterprises. A further general trend (in both new and old towns) is that the social status of suburban settlements has differentiated, in accordance with global processes high and low ecological and social status 'suburban' settlements developed. It can be observed both in the case of Dunaújváros and Kazincbarcika that suburbs were formed along distinct zones, suburban zones which are close to towns are populated with high social status inhabitants, while in zones farther away from the centre the suburban population is made up from low social status dwellers. Those who cannot afford to pay the higher rates for public utilities, the higher overhead costs in towns moved to the lower comfort level houses of the latter kind of suburbs. (In Dunaújváros mainly the population of the new housing estates has decreased).

Inner cities have transformed in nearly all of the studied towns. Due to the corresponding support system of the European Union, namely, that 85% or 95% of the rehabilitation costs were provided by the European Union, there was minimal need for local resources.

Expressing the functional and social renewal of inner cities the social status of inner districts has also changed, inner districts of high social position have developed. In Dunaújváros, for example, people with higher education degree are concentrated in the inner city, but the district of the Ukrainian top executives can also be found here. Garden city zones are also preferred by middle class inhabitants. The Old Town, the old village that was here before the new settlement was built, has also become a preferred residential area.

However, the renovation of the inner cities was not followed by the rehabilitation of the other districts. The reasons include not only the limited state and local government resources available for the renovation of flats. It can neither be fully explained by the fact that the Hungarian flat owners' funds are not enough to renovate the buildings and the residential environment. The specificities of the Hungarian housing privatization, the high percentage of privately owned flats can also be found among the reasons⁸. The European Union only supports the so called social rehabilitation of urban districts in cases where the percentage of privately owned flats is much lower than in Hungary.

A Hungarian case study carried out in the late 1990s in the framework of an international comparative research, examined two new towns, Ajka and Dunaújváros and compared them with the conditions of two old towns. (Dunaújváros was compared with Baja⁹, while Ajka was compared with Pápa). The results verified that the similarities regarding the social, structural and spatial features of traditional and new towns have become more prominent (Haumont et al., 1999). Similarly to traditional towns, segregation, the separation of different social groups has become apparent: higher social status groups were located in better districts, while lower social status groups were located in districts of less favourable ecological position and features. The social demographic composition has also become similar, the process of aging, the decrease in the percentage of manual workers have become characteristic in the towns mentioned (Haumont et al., 1999).

However the similarities by no means hide the historically determined differences which are also connected to the contemporary processes of economic structural transformation, the special features of joining the global economy, the diversification of economic functions. In the case of Dunaújváros for example, the proportion of those employed in industry is significantly higher than such figures in old towns of similar size; the

⁸ In 1990, the percentage of privately owned flats in Hungary was 77.5% (it is much higher than the Central European average of 49%). In 2011, this percentage was 92%.

⁹ This earlier choice explains why we compared Dunaújváros with Baja again in the OTKA research.

proportion of university or college graduates is lower than in the other old towns of similar size.

Segregation is not so prominent as in old towns, partly due to the different social structure of the two town types, to the higher proportion of higher social status residents who live in bourgeois towns. But it is also due to the more homogenous built environment, which in defiance with social regularities, reduced the phenomena of social segregation.

The specificities of the built environment in new towns are significantly different from the characteristics found in old towns, especially if we look at the protected buildings of the Socialist Realist architecture built in the first period of the development of new towns. (The urban architectural history of Dunaújváros is also interesting, because besides the Socialist Realist architecture we can find examples for nearly all of the architectural stages of the later years of the socialist period). The architecture of the 1970s and 1980s is less varied, we can find more similarities between the architectural solutions, which were based on panel technology and big housing estates, in old and new towns. (In Dunaújváros the flats in high rise blocks on housing estates built with panel technology make up two thirds of the housing stock.).

3. THE RELATIONSHIP BETWEEN NEW TOWN CENTRES AND THEIR REGIONS

In the centrally managed new town development model the town and its region developed separately, town development and the connected infrastructural (including flats) development resources were localized in the inner parts. Small settlements, villages before the development of new towns were at a disadvantage, significant spatial social inequalities were created. The market development model, the effects of global economy partly change historical spatial inequalities, the unequal allocation of infrastructure and with these a more balanced centre periphery relationship is supposed to be born, however facts show that only its possibility has been created so far.

Based on the effects of the contemporary economic competition a new kind of inequality has appeared, the settlements, the central town and the peri-urban settlements separately enter the global competition where the historical positions offer advantages. The favourable market position of large companies, mainly situated in town centres still promote the development of the centre. The use of the taxes paid by companies also favours central settlements. Different institutions and other services are also located in central settlements, which require contribution for their use from the surrounding settlements, which generates conflicts. As a result regional approach and cooperation are still not characteristic.

4. THE ROLE OF ELITE GROUPS IN TOWN DEVELOPMENT

The advocacy positions of the local elite in the decision making processes regarding town development were historically different. During the state socialist period economic actors, mainly the executives of large companies had an almost exclusive power position in new town development, while local governments, intellectual groups, civil organizations had hardly any advocacy opportunities. This kind of power distribution was also characteristic in old towns. The only difference was that in traditional towns the different actors had a wider range of opportunities, the role that elite groups played in town development was more balanced. In the first period of democratic transformation (in the case of Dunaujváros for example until the privatization of the large state company called Dunaferr) the economic and the political elite played a major role. Since then the power position of the two above actors has depended on the political composition of the actual governments, or the relationship between governments and the political affiliation of local governments. New towns have better advocacy positions if the composition of the national and the local political system are not different. The role civil society actors play in town development is still not significant, residents can realize their relevant interests through residential movements.

5. CONCLUSION

To find the answer to the starting question is not easy because there are no final answers. Based on the facts, currently there is a dynamic transition, it means a new urban model is being formulated.

This new model is determined by the historical past, by transition processes and especially by global effects. These three factors create one new quality. The analyzed towns survived historic shocks, these shocks always tried to exclude the original system, but it was not always successful, because past dependency is very strong. In conclusion, based on the research results it is possible to list the similarities (determined by global effects) and the differences (determined by historical circumstances).

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SUMMARY

The aims of the paper are to introduce the impacts of the politico-economic transition and the effects of globalisation on former socialist new towns, and to reveal the social characteristics and physical patterns of Hungarian new town regions. In Hungary, 11 artificial cities were planned during the 1950-60s, becoming the most prosperous settlements over the subsequent decades. Problems only appeared after 1990, with the collapse of the previous regime, the decrease of the industrial sector, the appearance of market economy and privatisation, causing several negative effects in these towns. As a consequence, although in a regionally differentiated manner, these became some of the most disadvantaged regions of Hungary.

Based on the facts, currently there is a dynamic transition, it means new urban model is being formulated. This new model is determined by the historical past, by transition processes and especially by global effects. These three factors create one new quality. The analyzed towns survived historic shocks, these shocks always tried to exclude the original system, but it was not always successful, because past dependency is very strong. Based on the research results it is possible to list the similarities (determined by global effects) and the differences (determined by historical circumstances).